Average Weekly Earnings

Sustainable pace of wage growth in 2009…

Average weekly earnings in Alberta declined by a modest 0.3% in December (seasonally adjusted), resulting in an annual wage growth for 2009 of 3.0%. While this was a moderation from the 5.8% growth in 2007 and 6.0% growth in 2008, it marked a return to a more sustainable pace of growth. Albertans continued to have the highest wages in the country, averaging $951.18 per week in 2009, significantly above the Canadian average of $823.75 per week. On an industry basis, strong wage growth was seen in both health (8.0%) and construction (6.7%), while negative growth was experienced in the manufacturing (-3.5%) and finance and insurance (-3.2%) sectors.

Private and Public Investment Intentions

Oil and gas investment intentions higher for 2010…

The annual Statistics Canada Private and Public Investment Survey was released this week. Total investment in Alberta is expected to increase by $1.8 billion, or 2.7% in 2010. Energy investment is predicted to increase by 7.3% to $26.5 billion.

Corporate Profits

Widespread gains in Q4 profits…

Canadian corporations earned $60.1 billion in operating profits in the fourth quarter of 2009 (preliminary). This was an increase of $4.4 billion (7.9%) from the previous quarter and marked a second consecutive quarter of growth. Gains were widespread as 15 of 22 industries reported higher profits in the fourth quarter. Energy profits continued to rise and were up 8.6% from the previous quarter to reach $7.0 billion in the fourth quarter. Despite the increase, corporate profits were still well below their peak of $16.7 billion reported in the third quarter of 2008.

Canadian Dollar (US¢/CS)	
February 26, 2010	95.00
February 19, 2010	95.97
2009-10 YTD	91.37
WTI Oil US$/bbl	
February 25, 2010	$78.17
February 18, 2010	$79.06
2009-10 YTD	$69.60
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
February 26, 2010	$5.15
February 19, 2010	$5.30

*Estimate based on Nymex Futures Market Price

Current Account

Deficit narrowed to $9.8 billion in Q4 2009…

Canada's current account deficit on transactions with the rest of the world narrowed to $9.8 billion in the fourth quarter of 2009 (seasonally adjusted). The current account has now been in deficit for the last five quarters, following almost 10 years of surpluses. The smaller deficit in the fourth quarter was largely the result of an energy-led increase in exports of goods, pushing the trade in goods balance back into surplus in the fourth quarter of 2009.

U.S Housing Market

US slump in sales of new homes a challenge for the recovery…

Sales of new homes in the US fell 11.2% in January 2010 to a seasonally adjusted annual rate of 309,000 units. This was the lowest level on record going back nearly half a century and heightens fears that the housing market may have lost its momentum and could slide again despite billions of dollars in government intervention.

Meanwhile, sales of existing homes were down 7.2% to a seasonally adjusted annual rate of 5.05 million units in January 2010.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2008	2009	2010YTD*	Aug	Sep	Oct	Nov	Dec	Jan
Real GDP (in 2002 $billions)	185.8	--	--	--	--	--	--	--	--
% change	0.0	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	291.3	--	--	--	--	--	--	--	--
% change	14.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,596	3,688	3,704	--	--	3,704	--	--	--
% change	2.4	2.6	2.3	--	--	2.3	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-2,535	--	--	-2,535	--	--	--
Net International Migration[1] (level)	20,039	20,074	7,976	--	--	7,976	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	2,439	--	--	2,439	--	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,961	1,975	1,985	1,975	1,988	1,995	1,988
% change	2.8	-1.3	-1.6	-1.6	-1.9	-3.4	-2.3	-1.0	-1.6
Unemployment Rate (%)	3.6	6.6	6.6	7.3	6.8	7.2	7.1	6.6	6.6
Average Hourly Wage Rate	5.7	4.3	1.1	5.9	3.7	3.9	2.5	1.3	1.1
Average Weekly Earnings[2] NEW!	6.0	3.0	--	1.2	0.6	2.0	0.9	1.2	--
Labour Income[3]	8.7	1.7	--	-1.6	-1.9	--	--	--	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.7	-1.7	-1.1	0.1	0.8	0.6	1.7
Excluding food and energy	2.1	1.4	1.1	1.3	1.4	1.8	1.0	0.7	1.1
Non-Res. Const. Cost Index[4] (quarterly)	13.2	-9.8	--	--	-14.8	--	--	-11.2	--
Farm Product Price Index	11.2	-10.6	--	-17.3	-18.8	--	--	--	--
Crops	26.2	-22.9	--	-23.6	-20.2	--	--	--	--
Livestock	2.3	0.4	--	-15.4	-13.2	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	23.6	20.7	24.6	29.9	30.2	27.3	23.6
% change	-39.6	-31.6	51.3	-8.0	-0.4	19.6	46.6	52.5	51.3
New Housing Price Index	0.7	-9.0	--	-8.9	-8.9	-7.9	-7.1	-6.3	--
Edmonton	1.0	-11.2	--	-11.4	-11.4	-10.1	-9.8	-9.4	--
Calgary	0.6	-6.7	--	-6.3	-6.4	-5.6	-4.2	-3.1	--
MLS Average Resale Prices	-1.5	-3.1	6.4	0.0	1.4	2.6	3.4	7.5	6.4
Edmonton	-2.0	-3.5	-0.7	-3.3	0.7	0.4	0.0	2.6	-0.7
Calgary	-2.9	-4.2	5.5	-0.4	1.1	2.9	4.4	8.8	5.5
Retail Sales	-0.1	-8.4	--	-10.1	-8.8	-6.5	-6.8	1.4	--
New Motor Vehicle Sales	-7.3	-21.5	--	-20.6	-15.6	-13.3	-21.3	3.2	--
Business Sector									
Public and Private Investment[5]	6.9	-25.9	2.7	--	--	--	--	--	--
Mining and oil and gas[5] NEW!	7.0	-42.6	7.3	--	--	--	--	--	--
Rigs Drilling	-2.1	-45.6	9.3	-62.7	-54.1	-50.9	-35.6	-3.8	9.3
Goods Exports (customs based)	34.6	-39.2	--	-42.6	-40.3	-39.6	--	--	--
Energy	42.5	-44.1	--	-45.1	-42.3	-41.3	--	--	--
Agriculture	32.0	-7.4	--	-9.3	-23.8	-23.8	--	--	--
Total Farm Cash Receipts (quarterly)	17.2	-6.7	--	--	-16.1	--	--	--	--
Manufacturing Shipments	7.0	-21.7	--	-25.9	-29.3	-24.1	-12.9	-3.9	--
Wholesale Trade	10.9	-14.3	--	-22.5	-20.3	-24.1	-17.1	-12.2	--
Building Permits	-16.5	-17.1	--	-7.6	-8.0	77.1	8.4	59.5	--
Residential	-31.5	-13.7	--	39.1	40.8	53.6	50.8	59.5	--
Non-residential	3.7	-20.2	--	-46.9	-46.0	101.3	-19.7	59.6	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins.

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2010 total based on initial investment intentions, 2009 preliminary actuals, and 2008 actuals; 2010 mining and oil and gas based on initial investment intentions

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Winter 2010)											
Real GDP Growth											
2009 (Estimate) NEW!	**-3.1%**	-5.5%	0.4%	-0.2%	-0.4%	-1.7%	-3.4%	-0.7%	-4.2%	**-3.7%**	-2.5%
2010	**2.8%**	2.4%	1.9%	1.9%	1.7%	2.2%	3.5%	2.0%	2.5%	**2.5%**	3.7%
2011	**3.3%**	4.2%	3.3%	2.4%	2.6%	2.2%	3.7%	2.4%	2.9%	**4.1%**	3.1%
Population (As of October 1, 2009)											
Population	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	**1.2%**	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration											
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment											
Level Change (000s)[b]	**-6.0**	3.9	3.4	-6.6	-4.3	18.8	-8.3	6.3	-1.6	**-32.9**	15.1
Percent Change[b]	**0.0%**	2.0%	5.4%	-1.5%	-1.2%	0.5%	-0.1%	1.1%	-0.3%	**-1.6%**	0.7%
Unemployment Rate, 2010 avg (SA)	**8.3**	14.9	9.9	9.8	9.3	8.0	9.2	5.4	4.7	**6.6**	8.1
Participation Rate, 2010 avg (SA)	**67.1**	59.6	68.4	64.0	64.5	64.8	67.2	69.7	69.5	**73.4**	66.3
Average Weekly Earnings											
December 2009 NEW!	**837.08**	823.36	689.98	740.64	755.50	771.78	869.55	775.40	832.56	**959.40**	810.07
Y/Y Percent Increase[c]	**3.2%**	5.6%	2.6%	2.6%	3.4%	3.1%	4.1%	1.5%	5.6%	**1.2%**	2.8%
2010 Wage Settlements (Jan) NEW!										**0.9%**	
CPI Inflation											
January Annual	**1.9%**	3.2%	4.0%	3.1%	3.9%	2.2%	1.9%	1.7%	1.6%	**1.7%**	0.7%
Excluding Shelter	**3.0%**	3.9%	5.1%	4.2%	4.7%	2.9%	3.2%	2.7%	2.8%	**2.9%**	2.0%
Housing Starts (000s)											
SAAR January 2010	**186.3**	3.6	0.7	2.7	5.8	55.4	55.6	5.1	6.3	**23.6**	27.5
Retail Sales											
Percent Change[d]	**6.6%**	6.8%	5.6%	8.6%	7.9%	7.1%	7.6%	6.2%	4.0%	**1.4%**	8.3%
2009 YTD Retail Sales Growth	**-3.0%**	2.6%	-0.3%	0.4%	-0.1%	-0.9%	-2.5%	-0.9%	-2.3%	**-8.4%**	-5.1%
Manufacturing Shipments											
Percent Change[d]	**0.3%**	13.2%	7.1%	4.5%	36.8%	-0.7%	1.7%	-8.6%	-0.1%	**-3.9%**	-9.0%

a. Over the past 12 months
b. January 2010 Y/Y change, unadjusted for seasonal effects
c. Updated to December 2009
d. December 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada